

Case Study: Income Scenario- Two Parents and two children (3 and 10)- One adult working full-time and one adult working part-time on NMW

	Weekly	Yearly
<u>Full-time employment on NMW</u>		
Gross earned income National Minimum Wage €8.65 x 37.5 hrs	324.38	16867.76
<u>Part-time employment on NMW</u>		
Gross earned income National Minimum Wage €8.65 x 20hrs	173.00	8996. 00
Total income for two adults	497.38	25863.76

Income Levy

Are not subject to income levy as the family qualifies for a medical card.

Tax due

Total Pay: 25863.76; tax @ 20% = 5172.75

Tax Credits:

Married person's tax credit: 3660.00

PAYE tax credit: 1830.00

(only 1 PAYE tax credit as they are not transferable between spouses)

Total Credits: 5490.00

5490.00 is > 5172.75, therefore negative income tax liability, thus no tax due.

PRSI due

No PRSI due as each earning less than €352.00 per week

Back to School Clothing and Footwear Allowance (BSCFA)¹

The income limit for this family is €593.40, therefore they will qualify

Rate for child aged 2-11 €200.00;

Weekly income from BSCFA for 1 child	3.85
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Family Income Supplement (FIS)

Weekly income threshold for two parent, two children family	602.00
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¹ Although one has to be receiving a social welfare payment or FIS to be eligible for BSCFA, income from FIS is ignored when assessing eligibility for the BSCFA

Assessable income (total after tax)	497.38	
FIS payable (60% of 104.62)	62.77	
<u>Early Childcare Supplement²</u>	00.00	00.00
<u>Total Income</u>		
Weekly Income	497.38	25863.76
FIS	62.77	3264.04
BSCFA	3.85	200.00
Child Benefit ³ (€150.00 per child per month)	69.23	3600.00
Total Income	633.23	32927.80

Calculation of Local Authority Rent

Income of Principal Earner + FIS = 387.15
 387.15 – 32.00 (income disregard) = 355.15
 15% of 355.15 = 53.27

Income of subsidiary earner = 173.00 – 32.00 (income disregard) = 141.00
 15% of 141.00 = 21.15, however, the maximum contribution set by DCC for the
 subsidiary earner is 19.00
 53.27 + 19.00 = 72.27

- €1.00 for each dependent child⁴ **Rent: = 70.27**

Eligibility for Medical Card

Weekly income limit	266. 50
Allowance for 2 children (38.00 x 2)	76. 00

² The Early Childcare Supplement was abolished at the end of 2009; it has been replaced by the ECCE Scheme. A capitation grant of €48.50 is paid to the Childcare provider for 50 weeks of the year. Therefore €46.63 (48.50 divided by 52 for the 52 weeks in the year) is deducted from Childcare costs.

³ Child Benefit was reduced by €16.00 per child in Budget 2010

⁴ Dublin City Council (DCC) deducts a €1.00 for each dependent child. This deduction is particular to DCC and does not apply across all Local Authorities.

Childcare Expenses	85.04
Travel Expenses	51.36
Housing Rent	70.27
Total Guideline	549.17
Total income	497.38

Therefore, this household may qualify for a medical card as their income is below the guideline.